

**STATE OF CALIFORNIA
DEPARTMENT OF COMMUNITY SERVICES
AND DEVELOPMENT (CSD)**

**2011 Eligibility and Verification
Guide**

Eligibility and Verification Guide

Overview

Introduction

The Eligibility and Verification Guide is designed to be an easy to use reference for determining eligibility and processing intake forms, addressing policies and procedural requirements, and other pertinent program information for all energy programs administered through CSD, such as LIHEAP, DOE, and DOE ARRA.

Reminder: All the policy and procedural changes in the 2011 Eligibility and Verification Guide supersedes existing policies stated in the 2010 Eligibility and Verification Guide.

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What's New for PY 2011

Introduction

The “What’s New for 2011” section applies to the new 2011 contract year effective January 3, 2011 and the remainder of the 2010 program year into the 2011 calendar year. The exception would be that the guidelines and the payment tables for 2010 program year will remain the same

Preview

- New 60% State Median Income (SMI) Guidelines: CSD will decrease the SMI Guidelines from 75% to 60%. The 60% SMI Guidelines will be adopted for the 2011 LIHEAP Program Year for determining client eligibility effective January 3, 2011. The 75% SMI Guidelines will still be effective for the remainder of the 2010 Program Year.
 - Step by Step procedures for processing applications without an SSN: CSD has revised the procedures for processing LIHEAP and DOE applications for clients that refuse to provide a Social Security Number. CSD will only assign a temporary filler number and will no longer be entering Cash Assistance applications for the agencies.
 - New Countable and Non-Countable Income Chart
 - New Declaration of No Income (CSD 43A): CSD form to provide all the necessary income eligibility information to successfully complete the application for energy assistance.
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60% State Median Guidelines

Introduction

Effective January 1, 2011, CSD will implement the use of 60% SMI to determine income eligibility for clients receiving services for Program Year 2011.

Household Number	Annual Income	Monthly Income
1	\$24,867.44	\$2,072.28
2	\$32,518.96	\$2,709.91
3	\$40,170.48	\$3,347.54
4	\$47,822.00	\$3,985.16
5	\$55,473.52	\$4,622.79
6	\$63,125.04	\$5,260.42
7	\$64,559.70	\$5,379.97
8	\$65,994.36	\$5,499.53
9	\$67,429.02	\$5,619.08
10	\$68,863.68	\$5,738.64
11	\$70,298.34	\$5,858.19
12	\$71,733.00	\$5,977.75
13	\$73,167.66	\$6,097.30
14	\$74,602.32	\$6,216.86
15	\$76,036.98	\$6,336.41

All factors of eligibility must be verified and documented in the client file. Copies of all supporting documentation must also be maintained in the client file.

Income Eligibility Guideline Changes

Purpose Support CSD policies for verifying the income eligibility and income documentation requirements for recipients of LIHEAP and DOE weatherization/energy assistance services.

Agencies are instructed to: Agencies need to obtain income documentation fully supporting the total gross monthly income earnings (stated on the Energy Intake Form-CSD 43) for qualified households receiving LIHEAP and DOE weatherization/energy assistance. Income documentation must be within 6-weeks of the household's income eligibility determination for benefits, and further must comply with the stated acceptable forms of income documentation referenced within pages 27-44 of the Income Eligibility and Verification Guide and/or the Countable and Non-countable Income Chart.

The Energy Intake Form was modified to oblige applicants to disclose the number of household members providing income support to the household or in clearer terms, individuals with countable income earnings. Agencies must obtain documentation substantiating gross monthly income earnings for all household members stated on the Energy Intake Form.

As a suggested best practice, agencies should develop (*or use new CSD43A*) an informational form to accompany the Energy Intake Form to further assist clients with their understanding of the eligibility requirements and provide the necessary information to successfully complete the application for energy assistance.

As a general rule: Agencies must make an attempt to obtain income documentation supporting the qualifying household's gross monthly income, such as but not limited to: the collection of all paystubs substantiating the gross earnings for the month; statements from adult members confirming income earnings from non-reportable sources (e.g., odd jobs, collecting and cashing in recyclables, etc.) and benefit letters substantiating benefits from Social Security or public benefit programs (e.g., TANF, General Assistance, etc.). However, in those isolated cases, where it poses a true hardship on the client to provide documentation supporting monthly income

earnings, then agencies may apply the use of the following income procedures to calculate the monthly income earnings using partial paystub information:

- Applicant must submit a signed written statement confirming the inability to provide the required income documentation substantiating gross monthly earnings and the hardship posed with obtaining additional income documentation.
- Applicant must offer information describing the partial income documentation submission and confirm the gross monthly income for the missing income documentation.
- Using the offered statements from the client, agencies can determine the appropriate calculation to be used to compute the gross monthly earnings using the partial wage stub submission.

Note:

The income calculation is to assist clients experiencing hardships and not be used as a common practice to circumvent the requirements for collecting income documentation substantiating gross monthly income from all sources for qualified households.

Eligibility Criteria

Introduction

Eligibility is based on the household's total monthly gross income, which cannot exceed the income guidelines. Because of significant funding cuts, the federal government enacted a law requiring that states target households with lowest incomes and high energy costs, while taking into consideration households with elderly and disabled persons and children under six.

Eligibility Summary

All applicants	<p>An applicant for all energy and/or weatherization programs must meet the following criteria:</p> <ol style="list-style-type: none">1. Be a resident of California2. Meet the income guidelines and provide proof of income for all adult members of the household3. Be responsible for energy costs and provide copies of energy bills4. Prove citizenship status if the applicant is being served by a public agency5. Meet the definition of a household6. Housing unit must meet the definition of a dwelling7. Meet agency's priority plan
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Fast Track applicants	<p>Crisis/emergency services have additional eligibility requirements for substantiating the condition of emergency under the various LIHEAP emergency services (ECIP, EHCS, ECIP WPO, Fast Track). Please see the section titled Qualifying for Fast Track.</p>
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Income Guidelines

Requirements All applications must meet the income guidelines.

Proof of income must be submitted, for a one month period, for each adult member of the household and maintained in the client file.

**PY 2011
Income
guidelines**

Household Number	Annual Income	Monthly Income
1	\$24,867.44	\$2,072.28
2	\$32,518.96	\$2,709.91
3	\$40,170.48	\$3,347.54
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13	\$73,167.66	\$6,097.30
14	\$74,602.32	\$6,216.86
15	\$76,036.98	\$6,336.41

Collecting Date of Birth

Background	<p>Presently, CSD collects the full SSN for identifying and tracking client participation to ensure that duplicate payments are not issued. While the practice of collecting the full SSN assists in tracking client services, and preventing duplicate payments, CSD does not possess the legal authority to collect the SSN, nor can a client be denied services for failure to provide a full SSN.</p> <p>In future program years, CSD hopes to move towards eliminating the practice of collecting a full SSN and replacing the use of a client's SSN with the combination of date of birth and the last four-digits of the SSN.</p>
Requirement	<p>Agencies are required to obtain and document the date of birth of the applicant on the Intake Form 43. This additional data will assist in verifying an applicant's identity, streamlining the prevention of fraud and the duplication of benefits.</p>
No documentation	<p>It will <u>not</u> be necessary for the applicant to verify their date of birth and no documentation is required in the client file.</p>
Intake form	<p>The date of birth must be written on the intake form in the following format: 2 digit month/2 digit day/2 digit year (mm/dd/yy). It is located in the upper right of the Intake form, near the last name field.</p>

Citizenship and Alien Status for Public Agencies

Purpose Federal law requires that all public agencies verify that all eligible applicants are a United States citizen, national, or an alien in a qualified immigration status.

Citizen or naturalized citizen An individual is a United States (U.S.) citizen if:

- Born in the U.S., regardless of the citizenship of his/her parents
- Born outside of the U.S. of U.S. citizen parents
- Born outside the U. S. of alien parents and has been naturalized as a U.S. citizen. A child born outside of the U.S. of alien parents automatically becomes a citizen after birth if his/her parents are naturalized before he becomes age 16.

Citizenship documentation Acceptable proof of U.S. citizenship includes but not limited to:

- U.S. birth certificate
- U.S. passport
- Naturalization certificate, N-550 or N-570. Certificate cannot be copied but agency should review, verify and document in the file that the “naturalized certificate was verified and valid”
- Report of birth abroad of a U.S. Citizen FS-240
- United States Citizen Identification Card, I-197
- Certificate of Citizenship, N-560 or N-561
- Statement provided by the U.S. consular officer certifying the individual is a U.S. citizen
- American Indian card with a classification code KIC

Qualified Alien The following table lists acceptable status and corresponding documentation for qualified aliens:

Status	Documentation
Lawful Permanent Resident	<ul style="list-style-type: none"> • INS form I-551 (Alien Registration Receipt Card, also called Resident Alien Card or ‘green card’). This card contains a photo and fingerprint. It does not include the AI-551 form number. Older versions do not include a fingerprint. • An unexpired temporary I-551 stamp in a foreign passport or on a Form I-94

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Citizenship and Alien Status for Public Agencies, Continued

Qualified Alien (continued)

Status	Documentation
Parolee	<ul style="list-style-type: none"> INS Form I-94 with a stamp showing admission under Section 212(d)(5) of the INA. An expiration date of 1 year or more from the date the status was granted (or indefinite) will be noted on the I-94 and can be used to indicate a qualified alien's status INS Forms I-688 coded 274a.12(c) (11) Form I-766 coded C11, indicates parolee status
Conditional Entrant	<ul style="list-style-type: none"> INS Form I-94 with a stamp showing admission under Section 203(a)(7) of the INA INS Form I-688 coded 274a.12(a)(3) Form I-766 coded A3, which indicates status as a condition entrant
Cuban/Haitian Entrant	<ul style="list-style-type: none"> INS Form I-94 with a stamp showing parole as a Cuban/Haiti Entrant under Section 212(d)(5) of the INA Form I-94 showing parole into the U.S. on or after October 10, 1980 and reasonable evidence that the parolee had been a national of Cuba or Haiti Note: This guideline does not apply when the individual was paroled solely to testify as a witness in a judicial administrative, or legislative proceeding or when the parolee is in legal custody pending criminal prosecution
Deportation or Removal Withheld	<ul style="list-style-type: none"> An immigration judge's order showing that deportation was withheld pursuant to Section 243(h) of the INA removal was withdrawn pursuant to Section 241(b)(3) of the INA and the date of the judge's order An INS Form I-688 with the code of 274a.12(a)(10) Form I-766 coded A10, which indicates deportation or removal withheld under Section 241(b)(3) or 243(h)
Battered Spouse	<ul style="list-style-type: none"> The individual must have filed a petition with INS based on: <ul style="list-style-type: none"> Status as a spouse or child of a United States citizen or classification to immigrant status as a spouse or child of a lawful permanent resident or Suspension of deportation and adjustment to lawful permanent resident status based on battery or extreme cruelty by a spouse or parent who is a United States Citizen or lawful permanent resident The individual must allege that he or she was subjected to battering or extreme cruelty; and the person responsible for the battery or extreme cruelty must no longer reside with the individual in question.

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Citizenship and Alien Status for Public Agencies, Continued

Qualified Alien (continued)

Status	Documentation
Asylee-Alien granted asylum	<ul style="list-style-type: none"> • INS Form I-94 (Arrival Departure Record) with a stamp showing grant of asylum under Section 208 of the INA • A grant letter from the INS Asylum Office. • An order of an immigration judge. • INS Form I-688B (Employment Authorization Card) with the code 274a.12(a)(5) • Form I-766 (Employment Authorization Document) coded A5 that indicates status as an Asylee
Refugee	<ul style="list-style-type: none"> • INS Form I-94 with a stamp showing admission under Section 207 of the INA • INS Form I-688B with the code 274a.12(a)(3). • Form I-766 coded A3 that indicates status as a refugee.

Ineligible for public agencies

Persons ineligible to participate in the energy and/or weatherization programs with public agencies are:

- Individuals who hold an INS I-94 who are admitted as temporary entrants (such as students, visitors, tourists, diplomats, etc.)
- Aliens who have no other INS document
- Individuals possessing an Individual Taxpayer Identification Number (ITIN). An ITIN does not create an inference regarding the person's immigration status. An ITIN is issued by the U.S. Internal Revenue Service to individuals who are required to have a U.S. taxpayer identification number but who do not have, and are not eligible to obtain a Social Security Number issued by the Social Security Administration.

Calculating income

An individual is not counted in the household size if citizenship or qualified alien criteria is not met. However, his/her income is counted in the household's total income.

Citizenship Status - Private Non Profit Agencies

Introduction Previously, private non-profit charitable organizations were required to verify client eligibility in accordance with CSD's applicant verification of eligibility procedures and regulations, forms, and other written guidance provided by CSD.

New policy change Section 432(d) of the 42 USC 1305 (Public Law 104-193, 110 Stat. 2168, Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) exempts nonprofit charitable organizations from any requirement to determine, verify, or otherwise require proof of alien eligibility or status.

IIIRIRA Section 508. NO VERIFICATION REQUIREMENT FOR

NONPROFIT CHARITABLE ORGANIZATIONS. Section 432 (d) of the

personal responsibility and Work Opportunity Reconciliation Act of 1996 (8

U.S.C. 1642) as amended exempts non profit Charitable Organizations under this title to determine, verify, or otherwise require proof of U.S. citizenship, U.S. noncitizen national, or qualified alien status of any applicant for such benefits in providing any Federal public benefit (as defined in section 401 (c) or any State or local public benefit (as defined in section 411(c)).

Definition of a Household

Definition A household includes any individual or group of individuals who are living together as one economic unit for whom residential energy is customarily purchased in common or who make undesignated payment for energy in the form of rent.

Ineligible households

1. Subsidized households that do not pay any out of pocket energy costs (Cash Assistance).
2. Persons living in licensed facilities (nursing homes, assisted living, etc.).
3. Persons living in temporary shelters or group homes who have no energy expense or who pay a nominal fee to live there (Cash Assistance)
4. Persons who reside in only one room within a larger dwelling and is not considered a separate household.
5. Persons who have no physical address.
6. Individuals who previously received assistance in another household during the same program year are considered ineligible household members (Cash Assistance).

Definition of a Dwelling

Introduction	All dwellings must be a permanent building and located in California. Applicants can have a mail address in another state, but the location where they receive utility services must be in California
Dwelling definition	A housing unit is a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied (or if vacant is intended for occupancy) as separate living quarters.
Separate living quarters	<p>Separate dwellings are those in which the occupants live and eat separately from any other persons in the building and have direct access from the outside of the building or through a common hall.</p> <p>The occupants may be a single family, one person living alone, two or more families living together, or any group of related or unrelated persons who share living arrangements</p>
Ineligible dwellings	<ul style="list-style-type: none"> • Applicants renting a room in someone else's home. (Exception: applicant provides proof that his/her living arrangement adheres to the definition of "separate living quarters".) • Applicants living in transitory, tent or temporary encampments such as Slab City in Niland. • Applicants living in board-and-care facilities, nursing or convalescent homes, or in jail or prison. • Applicants that are homeless
Exception	Applicants living on boats, in a marina with a dock number and utility hook-up, are eligible for HEAP assistance

Priority

Introduction	The federal government enacted a law requiring states to target households with low-incomes and high energy costs, while taking into consideration households with elderly and disabled persons, and children under six. The results will mean that households that received assistance in the past may no longer receive assistance because they fall into a low priority group and are not considered among the neediest of the needy.
Purpose	Prioritization is a method to consistently and fairly determine the need of individual applicants, and how the agency elects to provide services based on need.
Reference	Public Law 103-252 Section 2603(1)(4) The term “highest home energy needs” means the home energy requirements of a household determined by taking into account both the energy burden of such household and the unique situation of such household that results from having member of the vulnerable populations, including very young children, individuals with disabilities, and frail older individuals.
Policy	<p>Agencies are required to prioritize the delivery of services in accordance with approved "Prioritization Plans" (Exhibit H).</p> <p>In accordance with federal law, agencies must ensure that the highest level of priority will be given to those households which have the lowest incomes and the highest energy costs in relation to income, taking into account family size. Agencies are required to prioritize the delivery of services for all programs in accordance with the approved "Prioritization Plans" as part of the Local Plan. All applications must be screened and evaluated using the agency's approved priority plan.</p>

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Priority, Continued

Priority Plan

The following categories comprise the priority plan. Other than the Goals section, the points received in each category when totaled will determine if an application will be approved for assistance.

Part	Function
Income	By assigning point values to households with the lowest incomes, those households most in need will receive greater weighting (priority consideration) for receiving services and ensure compliance with Federal law requirements for targeting.
Energy Burden	Higher point values are assigned to households paying a higher percentage of their income towards utility cost.
Vulnerable Population	Agencies can assign different point values to groups they have chosen as being most in need in their service territory.
Agency Defined	Agencies can customize their plans by establishing additional categories and point values unique to the needs of their community

Qualifying an Applicant as Disabled

CSD Policy	CSD does not require agencies to obtain written documentation to verify the disability of an applicant. However, at the agency's discretion, it is reasonable to ask for proof of disability.
Federal definition	Under federal law, even if a person is "regarded as having impairment," this individual is considered to be disabled, whether or not it has ever been diagnosed or documented. In these cases, acceptable forms of substantiation may include either: a) documentation to establish proof of the disability, or b) self certification. To satisfy the "b)" option, the form should have a place where the applicant initials or signs the following statement. "I declare that I or one of my household members has a disability within the meaning of the Rehabilitation Act of 1973."
Proof of disability	<p>The following documentation is acceptable proof:</p> <ul style="list-style-type: none">• Participation in a federal disability program (SSI, Veteran's disability, developmental disability programs in education).• A statement from a doctor is reasonable to ask for if an applicant falls under the federal definition of disability.• Self certification statement

Qualifying for Fast Track Assistance

Crisis services	Crisis/emergency services have additional eligibility requirements for substantiating the condition of emergency under the various energy/weatherization programs. Emergency services can be provided under the following components: ECIP EHCS, ECIP WPO, SWEATS, and Fast Track.
Additional requirements for cash assistance	<p>There are additional requirements for processing crisis/emergency applications for cash assistance under the Fast Track program:</p> <ol style="list-style-type: none"> 1. Fast Track payments shall only be made where an emergency energy-related crisis exists. 2. Applicants must receive energy services from one of the following energy providers: utility companies; mobile home parks that own their own power source; or submetering billing services with legal authority to shut-off utility services. 3. An emergency energy related crisis does not exist if the cost of energy is included in the applicant's rent, in which case Fast Track payments shall not be made. 4. Documentation of the energy related crisis must be maintained in the client file.
Documentation	<p>To qualify for a Fast Track benefit the client must provide proof of one of the following:</p> <ul style="list-style-type: none"> • Proof a utility account is past due • Proof of utility shutoff notice • Proof of energy termination • Insufficient funds to establish a new energy account • Energy related crisis or life-threatening emergency exists within the applicant's household
Supplemental payment	Under the Fast Track supplemental benefit provision the total amount of the Fast Track payment cannot exceed the total amount of the entire bill or \$1,000, whichever is less.
Weatherization services	There are also additional requirements for processing crisis/emergency applications under the weatherization programs. Please see Exhibit F of the LIHEAP contract.

Confidentiality of Social Security Numbers

Background “The Social Security number has a unique status as a privacy risk. No other form of personal identification plays such a significant role in linking records that contain sensitive information that individuals generally wish to keep confidential”
(Department of Consumer Affairs, Office of Privacy Protection, Recommended Practices for Protecting the confidentiality of Social Security Numbers)

Policy Without legal authority, CSD cannot require the submission of a Social Security Number (SSN) as part of the eligibility criteria. Although a client cannot be denied for refusing to submit their SSN, CSD encourages agencies to continue to request the SSN as a unique client identifier, and to streamline the eligibility verification of applicants. (Please see the section on Processing an Application without a Social Security Number.)

Collecting copies If an agency determines that copies of Social Security cards and/or drivers licenses are necessary, they can continue to request the information but cannot deny a client for refusing to submit the documents.

Due care must be taken to secure this sensitive information. It must be stored in a secure and locked location. Access to the location where client file information is maintained must be limited and regulated by internal controls.

Guidelines The Department of Consumer Affairs offers the following guidelines to protect Social Security numbers and other confidential information:

1. Develop a written security plan for record systems that contain SSNs.
 2. Develop written security policies for protecting the confidentiality of SSNs.
 3. Provide training and written material for employees on their responsibilities in handling SSNs.
 4. Conduct training at least annually and train all new employees, temporary employees and contract employees.
 5. Impose discipline on employees for non-compliance with organizational policies and practices for protecting SSNs.
 6. When discarding or destroying records in any medium containing SSNs or other confidential information, do so in a way that protects their confidentiality, such as shredding.
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Processing Applications without a Social Security Number

Background	CSD does not have the legal authority to require the collection of Social Security numbers (SSN) as a condition of eligibility. Agencies should continue to request an SSN to assist with client identification and to streamline applicant eligibility verification. However, an applicant cannot be denied services for refusing to provide their Social Security number.
Mail in applications	<p>If an application is received in the mail without an SSN, the agency must follow up with the client to request the SSN. If the client refuses to submit the SSN the agency must follow the step by step procedure for processing an application without an SSN as described on page 21.</p> <p>The attempt to obtain the SSN and the reason for not providing the SSN by the client must be documented in the client file.</p>
Applications received in person	<p>If during the initial intake process an application is submitted without an SSN and a verbal confirmation is received from the client that they refuse to provide their SSN, the agency will follow the step by step procedure for processing an application without an SSN as described on page 21.</p> <p>The attempt to obtain the SSN and the reason for not providing the SSN by the client must be documented in the client file.</p>
Requesting additional information	Note: Agencies that require documentation above the minimum requirements (a copy of Social Security card, copy of a driver's license, or name, ages and Social Security numbers for all household members) cannot deny a client for services for failure to provide this additional information.

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Processing Applications without a Social Security Number

Continued

Procedure If a client refuses to provide their SSN:

Step	Action
1	Agency must confirm identity of client with any picture identification card. A copy of the picture identification used to confirm identity must be retained in the client file. Examples of acceptable forms of picture identification: <ul style="list-style-type: none"> • Drivers license • Employee ID card • School, library, bus pass etc.
2	After confirming the applicant's identity, perform a data base search using the following information to assure that the client has not been served in the current program year: <ol style="list-style-type: none"> 1. Last and first name 2. Service address 3. Phone number 4. Utility Account Number
3	If the client's record is located in a prior year with an SSN, agencies can enter the application and use the SSN from the prior year on the current application. The application should be processed in the standard manner and will not need to be submitted to CSD.
4	When the client is determined eligible (meets income guidelines, agency's priority plan and has not been served in the current year) agency will arrange for the handling of the application without an SSN, by completing a fax coversheet, and submitting the cover sheet, a copy of the intake form and supporting documents to CSD's Help Desk, via fax. Supporting documents must include: <ol style="list-style-type: none"> 1. Utility bill or a landlord statement for utilities included in rent 2. Copy of picture ID
5	CSD's Help Desk staff will perform a secondary duplicate check to confirm the client has not previously applied with an SSN. If a positive match is found, the Help Desk will provide the agency the previously used SSN for processing of the application.
6	If no match is found a unique filler number will be assigned by the Help Desk in lieu of an SSN.
7	Help Desk will confirm the filler number assigned to the applicant and provide the agency the temporary SSN via the return of the completed fax cover sheet.
8	Once the agency receives the confirmation with the assigned filler number the agency will process the application in the standard manner. <p>Note: Once an applicant is assigned a temporary filler number, this number is to be used each and every year the client applies.</p>

Client File Documentation

Purpose	All factors of eligibility must be verified and documented in the client file.
Client file requirements	<p>Client files must contain specific documents:</p> <ol style="list-style-type: none"> 1. Completed and signed intake form. The applicant name and signature must be the same person. Note: The applicant does not need to be the customer on the utility bill. 2. Copy of the utility bill from the company that will receive the cash assistance (HEAP) payment. It is important to collect bills from all sources of energy used in the household to determine the actual energy burden. However, copies of all sources are not required. 3. Proof of income documentation for all adult members of the household for a one month period, current within six weeks of intake. 4. Verification of energy conservation education and budget counseling. 5. If the agency is required to verify citizenship, the file must contain proof as directed.
Fast Track requirements	<p>Fast Track client files must contain all of the requirements listed in the previous section and proof of energy crisis documentation, such as:</p> <ul style="list-style-type: none"> • A shut off notice, • Proof that services have been disconnected, • Proof that the account is in arrears, or • A deposit is needed to establish services
Not required by CSD	<p>CSD does not require a copy of the applicant's</p> <ul style="list-style-type: none"> • Social Security card • Drivers License • Name, age, and social security number for all members of household <p>It is at the agency's discretion to include these documents in the client file.</p>
Confidential	<p>Agency personnel will be exposed to and have access to information which is of a confidential nature. All client records are considered to be confidential and are open only to State and local agency personnel carrying out eligibility and audit functions. Such information should not be shared with unauthorized personnel.</p>
Retention	All client files must be retained for 3 years from the end of the contract term.

Income Verification

Introduction

The determination of income is based on all household income sources before any deductions. An applicant's total gross household income must be verified and copies retained in the client file.

Income Calculation

Introduction Determination of income eligibility is based on the total household monthly gross income before any deductions. Applicants are required to submit proof to cover one month's income.

Purpose To create consistency in calculating income, agencies must calculate monthly income using the same method. The income calculations is to assist clients experiencing hardships and not be used as a common practice to circumvent the requirements for collecting income documentation substantiating gross monthly income from all sources for qualified households.

Criteria

- Proof of income must be current to within 6 weeks from the intake date (unless otherwise specified by the agency).
- Income must be the total gross income before deductions.
- Income document(s) should cover a one-month period unless applicant did not work a full month.
- Income cannot be annualized.
- Seasonal worker's income must be based on the actual current income at time of intake.

Total income submitted When four weekly, two bi-weekly or two bi-monthly consecutive paystubs are submitted as proof, simply add the gross amount of all stubs to calculate monthly income.

Exceptions On an exceptional basis when a client cannot provide a full month of income verification, a weekly, bi-weekly or bi-monthly paycheck stub can be used to equal one month income using the income formulas in the following section. However, income formulas cannot be used when the calculated monthly income does not reconcile (within reason) with client's statement of gross monthly income or if the client failed to provide a statement of their gross monthly income on the intake form. The applicant must first state the amount of their gross monthly income on the intake form; and then proceed to provide the proof.

Example A

Stated Income on Intake Form:	\$800
Weekly Pay Stub:	\$200
Income using formula (\$200 X 4.333)	\$866.60

Example A is an acceptable method for utilizing the income formula for determining monthly income as the monthly calculated income reconciles within reason with the client's statement of gross monthly income on intake form. In this example the total household income entered would be \$866.66.

Example B

Stated Income on Intake Form: \$0
Weekly Pay Stub: \$200

Example B is an unacceptable situation to allow the utilization of the income formula for determining client's monthly income. The proof of income provided does not reconcile against the income stated on the intake form. The applicant must declare their monthly income.

Income Formulas

How to calculate incomplete earned income documentation

- A weekly gross income must be multiplied by 4.333 to total one month's income.
 $\$550 \text{ weekly} \times 4.333 = \$2,383.15 \text{ monthly income}$
- Bi-weekly gross income should be multiplied by 2.167 to calculate one month's income.
 $\$1,200 \text{ bi-weekly} \times 2.167 = \$2,600.40 \text{ monthly income}$
- Bi-monthly gross income should be multiplied by 2
 $\$1,200 \text{ bi-monthly} \times 2 = \$2,400.00 \text{ monthly income}$
- Quarterly gross income (including any interest and dividends) should be divided by 3 to arrive at a monthly average.
 $\$4,000 \text{ quarterly divided by } 3 = \$1333.33 \text{ monthly income}$

Note: The income calculation is to assist clients experiencing hardships and not be used as a common practice to circumvent the requirements for collecting income documentation substantiating gross monthly income from all sources for qualified households.

Zero Income

For clients claiming no source of income, verification must be certified by completing a self-certification statement or use CSD Form 43A. The statement must include the individual's name, date, signature, and attest to the fact that all statements are true and correct.

Statement of income

In all cases agencies should make every effort to obtain one month's income documentation from all income sources. The first step is to verify the amount of the household's gross monthly income, generally provided on the intake

form, along with the provided acceptable forms of income verification to substantiate the amount indicated on the intake form.

If the client has not indicated the monthly amount and is available, simply ask them to enter it on the form. If an intake form is received by mail without the income box completed, a second attempt to obtain the information must be made, either by mail, phone call, fax, etc. In all cases, the attempt to obtain the monthly income amount and verification as well as any subsequent actions must be documented in the client file.

If it is determined that a hardship exists and the client is unable to provide verification after the agency has made an attempt to obtain documentation, it is then acceptable to process the application using the formulas for calculating incomplete earned income.

**Public
assistance,
retirement,
Social Security**

Clients should be expected to provide appropriate verification for one entire month. The only exception would be when the request for additional documentation would cause undue hardship for the client and the income can be substantiated with a great deal of accuracy using an outdated form of documentation.

Example: Elderly woman, 80 years old, using public transportation to the agency, submits a copy of a Social Security check that is beyond the 6 week limit. It is reasonable, in this case, to assume that her income, Social Security, has not changed and it is acceptable to process the application with the income verification submitted. It would be an extreme hardship for the applicant to return with current documentation.

Note: The reason for accepting the outdated information must be documented in the file.

**Unqualified
alien**

An individual that is not a citizen or a qualified alien is not counted in the HEAP household. However, his /her income is counted towards the household's total income.

**Annual
statements and
bank deposits**

For award or annual statements, DO NOT use the date the document was issued. You must use the dates covering benefits within the document to determine eligibility. These dates must be current.

Automatic Bank Deposit - the date of the deposit or the issue date of the statement can be used to determine if the document is current to within 6 weeks of intake date.

Acceptable & Excluded Income Documentation

Public Assistance

Definition	Public assistance or welfare payments include cash public assistance payments low-income people receive, such as aid to families with dependent children (AFDC, ADC), temporary assistance to needy families (TANF), and general assistance.
Acceptable proof	<p>Proof of income for these items must be current to within 6 weeks of the application intake date.</p> <ul style="list-style-type: none"> • Copy of current check • Current Notice of Action • Current verification from worker with amount of payment and date • Food Stamp verification with current income amount listed • Current aid printout summary • Copy of bank statement showing direct deposit; the date of the deposit or the issue date of the statement can be used to determine if the document is current to within 6 weeks of intake date.
Unacceptable proof	<ul style="list-style-type: none"> • Outdated or altered information • Medi-Cal cards • Food Stamp verification with no income amount or date • CW7 Report • Notice of Action stating homeless aid
Countable income	Overpayment adjustments should not be deducted from the grant amount.
Non-countable income	<p>A family's monthly Food Stamp allotment amount is not considered income.</p> <p>Note: Do not include the Food Stamp amount when calculating income</p>

Earned Income

Definition

Money, wage or salary income is the total income people receive for work performed as an employee during the income year. Includes wages, salary, armed forces pay, commissions, tips, piece-rate payments, and cash bonuses earned, before deductions are made for items such as taxes, bonds, pensions, and union dues.

Acceptable proof

Proof of income for these items must be current to within 6 weeks of the application intake date.

- Copy of check(s) showing gross amount.
 - Current copy of pay stub(s) covering 1 month of gross income (using necessary formulas).
 - Letter from employer with company name, address, phone number, the gross amount and current pay period.
 - Notice of Action showing earned income.
 - HUD statement from Department of Housing with annual income amount.
-

Unacceptable proof

- Outdated information
 - Information without dates
 - Copy of check(s) showing net amount only
 - Federal and State Tax Forms (exception: self-employed)
 - W2 Forms
 - Non-consecutive pay stubs (If unable to determine monthly gross.)
 - Employers' letter not showing gross income amount
 - Food Stamp verification with no dollar amount listed
 - Renter's Credit Form
 - Copy of bank statement
 - Military pay showing base pay only.
-

Social Security

Definition Includes social security pensions and survivor's benefits and permanent disability insurance payments made by the SSA prior to deductions for medical insurance.

Acceptable proof Proof of income for these items must be current to within 6 weeks of the application intake date.

- Copy of check
- Payee's (income recipient) letter of verification showing income amount
- Notice of planned action
- Copy of bank statement showing direct deposit - The date of the deposit or the issue date of the statement can be used to determine whether the document is current to within 6 weeks of intake date.

For the following items, DO NOT use the actual date the document was issued. You must use the dates covering benefits within the document to determine eligibility. These dates must be current.

- Annual benefit letter with current dates (i.e., date of letter is 12/08, but letter states applicant will receive \$\$ beginning 1/09).
 - Computer printout or letter that states the current annual benefit amount.
 - Form 2458 completed by Social Security Office.
 - HUD statement from Department of Housing with a Social Security amount.
-

Unacceptable proof

- Outdated information
- Benefit letter with no income amount or date
- Payee's letter of verification not showing income amount
- Medicare cards

Countable income Overpayment adjustments must not be deducted.

Continued on next page

Social Security, Continued

Non-countable income	Medicare premiums are not considered income and must be deducted from the total gross amount.
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Pensions or Retirement

Definition Includes payments received from eight sources: companies or unions; federal government (Civil Service); military; state or local governments; railroad retirement; annuities or paid-up insurance policies; individual retirement accounts (IRAs), Keogh or 401 (k) payments; or other retirement income.

Acceptable proof Proof of income for these items must be current to within 6 weeks of the application intake date.

- Copy of check.
- Copy of bank statement showing direct deposit - The date of the deposit or the issue date of the statement can be used to determine whether the document is current to within 6 weeks of intake date.

For award or annual statements, DO NOT use the date the document was issued. You must use the dates covering benefits within the document to determine eligibility. These dates must be current to within 6 weeks of the application intake date.

- Pension verification (i.e., letter or printout. Time frame of benefit must be current).
 - Annual statement from pension plan.
 - Form 1099. (Only acceptable if intake date is within the 6 week period following January 1, 2009.)
-

Unacceptable proof

- Outdated or altered information
- Benefit letter with no income amount or date

Interest

Definition	Interest includes payments received or have credited to accounts from bonds, treasury notes, IRAs, certificates of deposit, interest-bearing savings and checking accounts, and all other investments that pay interest. Only the interest used for household support is considered income, not the original deposit.
Acceptable proof	<p>Proof of income for these items must be current to within 6 weeks of the application intake date.</p> <ul style="list-style-type: none"> • Current copy of check(s) • Current statement(s) from financial institution(s) • Current copy of financial statement(s) showing direct deposit - The date of the deposit or the issue date of the statement can be used to determine whether the document is current to within 6 weeks of intake date
Unacceptable proof	<ul style="list-style-type: none"> • Outdated information • Information without a date • Financial statement(s) without a dollar amount listed • Federal and State Tax Forms

Dividends/Royalties

Definition Dividends are returns on capital investments, such as stocks, bonds, or savings accounts. Royalties are compensation paid to the owner for the use of property, usually copyrighted material or natural resources such as mines, oil wells, or timber tracts. Royalty compensation maybe expressed as a percentage of receipts from using the property or as an amount per unit produced.

Acceptable proof Proof of income for these items must be current to within 6 weeks of the application intake date.

- Current copy of check(s)
- Current statement(s) from financial institution(s)
- Current copy of financial statement(s) showing direct deposit - The date of the deposit or the issue date of the statement can be used to determine whether the document is current to within 6 weeks of intake date.

Unacceptable proof

- Outdated information
- Information without a date
- Financial statement(s) without a dollar amount listed
- Federal and State Tax Forms

Workers Compensation

Definition Workers compensation includes payments people receive periodically from public or private insurance companies for injuries received at work.

Acceptable proof Proof of income for these items must be current to within 6 weeks of the application intake date.

- Copy of current check(s)
 - Current check stub(s)
 - Current printout
 - Current award letter
-

Unacceptable proof

- Outdated information
- Information without a date
- Award letter without income or date

Unemployment Compensation

Definition Unemployment compensation includes payments received from government unemployment agencies or private companies during periods of unemployment, including any strike benefits from union funds.

Acceptable proof Proof of income for these items must be current to within 6 weeks of the application intake date.

- Copy of current check(s)
 - Current check stub(s)
 - Current printout
 - Current award letter
-

Unacceptable proof

- Outdated information
 - Information without a date
 - Award letter without income or date
-

Veterans Benefits

Definition	Includes payments to disabled members of the armed forces or survivors of deceased veterans receiving periodically from the Department of Veterans Affairs for education and on-the-job training, and means-tested assistance to veterans.
Acceptable proof	<p>Proof of income for these items must be current to within 6 weeks of the application intake date.</p> <ul style="list-style-type: none"> • Copy of current check(s) • Current check stub(s) • Current printout • Current award letter • Bank statement with automatic deposit - The date of the deposit or the issue date of the statement can be used to determine whether the document is current to within 6 weeks of intake date.
Unacceptable proof	<ul style="list-style-type: none"> • Outdated or altered information • Benefit letter with no income amount or date

Self Employment and Rental Income

Definition Net earnings from self-employment are the gross income from any trade or operated business minus any allowable deductions for that trade or business. Net earnings also include the client's share of profit or loss in any partnership, as reported on Federal income tax returns.

Operational expenses for self employed The following are operational expenses for self employed and are not considered income:

- Taxes required for operation of the business
 - Licenses and permit fees
 - Rent payments
 - Insurance
 - Labor costs
 - Maintenance
 - Products used to operate the business
 - Interest on debts
 - Actual food costs for self employed babysitters
-

Not included in operational expenses

Business expenses do not include:

- Payments on the principal of the purchase price of and loans for capital assets such as real property, equipment, machinery and other goods of durable nature
 - The principal and interest on loans for capital improvement of real property
 - Net losses from previous periods
 - Federal, state, and local taxes
 - Money set aside for retirement purposes
 - Personal expenses, entertainment expenses, and personal transportation
 - Depreciation on equipment, machinery, or other capital investments necessary to the self-employment enterprise
-

Continued on next page

Self Employment and Rental Income, Continued

Operational expenses for rentals

The following are operational expenses for rentals and are not considered income:

- Interest on debts
 - Taxes
 - Insurance
 - Maintenance
 - Utilities, if paid by applicant
 - Real estate agent's fees
-

Acceptable proof

Tax Form 1040 is acceptable until the following year's filing date. The 2009 Income Tax Form is good until April 15, 2010.

- Current signed 1040 Federal Tax Form.
Must show a dollar amount, either on line 12 or 17, to be valid income verification for self-employed. When using a 1040 Tax Form, calculate monthly gross income for self-employed by dividing the amount on line 22 by 12 months. If line 22 is zero or a negative amount, set the income amount on the application to zero (0).
 - **Current copy of ledger or journal (Handwritten information is acceptable) - Proof of income for a copy of ledger or journal, or a self-employment statement must be current to within 6 weeks of the application intake date.**
 - Signed self-employment statement showing gross receipts, gross expenses, and net income for a one month time period (within the last six weeks).
-

Unacceptable proof

- Outdated or altered information.
- Unsigned 1040 Federal Income Tax Form

Survivors Benefits

Definition	Survivors benefits include payments received from survivors' or widows' pensions, estates, trusts, annuities, or any other types of survivor benefits, from private companies or unions; federal government (Civil Service); military; state or local governments; rail road retirement; worker's compensation; black lung payments; estates and trusts; annuities or paid-up insurance policies; and other survivors benefits.
Acceptable proof	<p>Proof of income for these items must be current to within 6 weeks of the application intake date.</p> <ul style="list-style-type: none"> • Copy of current check(s) • Current check stub(s) • Current printout • Current award letter • Bank statement with automatic deposit - The date of the deposit or the issue date of the statement can be used to determine whether the document is current to within 6 weeks of intake date.
Unacceptable proof	<ul style="list-style-type: none"> • Outdated information • Information without a date • Award letter without income or date

SSI/SSP

Definition Supplemental security income includes federal, state, and local welfare agency payments to low-income people who are 65 years of age and older or people of any age who are blind or disabled.

Acceptable proof Proof of income for these items must be current to within 6 weeks of the application intake date.

- Copy of check
- Payee's (income recipient) letter of verification showing income amount
- Notice of Planned Action
- Copy of bank statement showing direct deposit - The date of the deposit or the issue date of the statement can be used to determine whether the document is current to within 6 weeks of intake date.

For the following items, DO NOT use the actual date the document was issued. You must use the dates covering benefits within the document to determine eligibility. These dates must be current.

- Annual benefit letter with current dates (i.e., date of letter is 12/08, but letter states applicant will receive \$\$ beginning 1/09).
- Computer printout or letter that states the current annual benefit amount.
- Form 2458 completed by Social Security Office.
- HUD statement from Department of Housing with a Social Security amount

Unacceptable proof

- Outdated information
- Benefit letter with no income amount or date
- Payee's letter of verification not showing income amount
- Medicare cards

Countable income Over payment adjustments must not be deducted.

Non-countable income Medicare premiums are not considered income and must be deducted from the total gross amount.

Excluded Income Sources

Policy change	Effective with the release of the DOE ARRA contracts, the criteria for countable and non-countable income is being updated to include the following exclusions.
Authority	<p>Federal Law Title 42 Chapter 94</p> <p>In verifying income eligibility for purposes of subsection (b) (2) (B) of this section, the State may apply procedures and policies consistent with procedures and policies used by the State agency administering programs under part A of title IV of the Social Security Act [42 U.S.C. 601 et seq.], under title XX of the Social Security Act [42 U.S.C. 1397 et seq.], under subtitle B of title VI of this Act (relating to community services block grant program) [42 U.S.C. 9901 et seq.], under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 [42 U.S.C. 2701 et seq.] before August 13, 1981, or under other income assistance or service programs (as determined by the State).</p> <p>Subsection (b) (2) (B) households with incomes which do not exceed the greater of- (i) an amount equal to 150 percent of poverty level for such state; or (ii) an amount equal to 60 percent of the State median income;</p>
Student Assistance	All student assistance is excluded. This includes Grants, Scholarships, Fellowships and Gifts/Pell Grants/Federal Perkins Loans, Federal Supplemental Education Opportunity Grants, Leveraging Educational Assistance Program (LEAP), Department of Education and Bureau of Indian Affairs (BIA), University Year for Action and work study.
Foster Care payments	Payments received for the care of foster children or foster adults, who are unable to live alone.

Continued on next page

Excluded Income Sources, Continued

In home care provider	<p>The income of a live-in aid* or amounts paid by a State agency (In Home Supportive Services) to a family or non family member to offset the cost of services and equipment needed to keep the family member at home will not be included in total household income.</p> <p>*Live-in aid means a person who resides with one or more elderly persons (at least 62 years old), or near elderly persons (at least 50 years old), or persons with disabilities, and who:</p> <ol style="list-style-type: none"> 1. Is determined to be essential to the care and well-being of the person(s); 2. Is not obligated for the support of the person(s); and 3. Would not be living in the unit except to provide the necessary supportive services.
Income from a minor	Income from employment of children (including foster children) under the age of 18 years will be excluded from countable household income.
Disaster assistance	Payments made by federal service providers under a presidential declaration of disaster including, but not limited to, individual family grants from the Federal Emergency Management Agency (FEMA).
Victims of crime payments	All reparation payments to victims of a crime.
Reparation payments	Payments to Aleut people and people of Japanese ancestry under Public Law 100-383.
Victims of Nazi persecution	Payments made to individuals because of their status as victims of Nazi persecution shall be disregarded in determining eligibility.
Older volunteers	Older Americans Volunteers Act of 1965 – Income paid to participants in programs carried out under the Community Service Employment Program

(Title V of the Older Americans Act), including Green Thumb, Senior Health Aides, Senior Companions.

Continued on next page

Excluded Income Sources, Continued

Older volunteers	Older Americans Volunteers Act of 1965 – Income paid to participants in programs carried out under the Community Service Employment Program (Title V of the Older Americans Act), including Green Thumb, Senior Health Aides, Senior Companions.
Domestic volunteers	Domestic Volunteer Service Act of 1973(P.L.93113) - Income paid to participants - Title I: Volunteers in Service to America (VISTA), Americorps, University Year for Action (UYA), Urban Crime Prevention Program. Title II: Retired Senior Volunteer Program (RSVP), Foster Grandparent Program, Older American Community Service Program (Senior Health Aides, Senior Companions). Title III: Service Corps of Retired Executives (ACE)
Vietnam veterans	Vietnam Agent Orange Benefits. Benefits given for the children of woman-Vietnam veterans who suffer from certain birth defects must not be considered as income in determining eligibility or benefits.
Native American land	The value of land taken from and later added back to Indian reservations must not be considered income.
Native American judgments	Indian per capita judgment payments made to any tribe or group whose trust relationship with the federal government has been terminated and for which legislation was in effect before October 12, 1973 authorized the disposition of its judgment funds.
Non-cash	Any non-cash Federal or State Benefits.
WIA	Title I of the Workforce Investment Act of 1998: Supportive services to participants including assistance that enables people to participate in the program, such as transportation, health care, child care, handicapped assistance, meals, temporary shelter, counseling, and other reasonable expenses or participation in the program.

Continued on next page

Excluded Income Sources, Continued

Nutrition programs	Benefits from Women, Infant, and Children (WIC) program, Agriculture Nutrition Act of 1949 Section 416: value of federally donated food acquired through price support operations for school lunch or other distribution to needy people. Child Nutrition Act: the value of assistance to children under this Act. National School lunch Act: the value of assistance to children under this Act. Meals for Older Americans, School breakfasts and lunches and milk programs.
Job related expenses	For non self-employed applicants that do not file income tax as self employed (a sales person or a truck driver/taxicab driver) and who pays business expenses and also receives a paycheck, deduct those business expenses from the household's total gross income.
Employer paid benefits	Most employers providing benefits make a contribution to the cost of the benefit, with any remaining cost to be paid by the employee through payroll deduction. The employer contribution is not income. The payroll deduction is income.
Gifts and inheritances	One time lump sum inheritances or gifts. Such as gifts occasioned by a death or gifts of domestic travel tickets.
Prizes and awards	A prize is generally something received in a contest, lottery or game of chance. An award is usually received as the result of a decision by a court, board of arbitration, or the like.
Food stamps	The value of the coupon allotment provided to any eligible household.
Medicare and medical	The value of medical expenses paid directly to a health care provider on behalf of the household.
Medicare deductions	The deduction for Medicare from Social Security benefits.

Continued on next page

Excluded Income Sources, Continued

Sale or exchange of property

Capital gains people received (or losses they incur) from the sale of property, including stocks, bonds, a house, or a car (unless the person was engaged in the business of selling such property, in which case count the net proceeds as income from self-employment)

Other exclusions

- Military combat pay
 - Child Support Payment contributions
 - Draw down from Reverse Mortgage
 - Tax Refunds
 - Loans
 - Withdrawal from Savings
 - Food or housing received in lieu of wages.
 - The value of food and fuel produced and consumed on farms
 - One-time Insurance Payments
 - Compensation for Injury
-

Energy Cost Verification

Introduction

The utility bill provides documentation of the physical address, energy costs and valuable utility account information to ensure the delivery of cash assistance benefits by means of direct payment to the utility company or warrant to the client.

Energy Bill Criteria

Introduction	The utility bill provides verification of the physical address, energy costs and other valuable utility account information to ensure the delivery of cash assistance benefits by means of direct payment to utility service providers.
Bills must include	<p>Energy bill(s) must contain a billing period of at least 22 days and be <u>current to within 6 weeks</u> of the application intake date. The energy bill also must provide the amount of the household's current energy costs and the following:</p> <ol style="list-style-type: none"> 1. Service address - In rural areas, the service address can be descriptive (Example: 3rd house on the left, past the gas station, etc.) 2. Account number 3. Name of the utility company 4. Customer's name 5. The dollar amount of a full month's energy costs (at least 22 days), some exceptions may apply. Please contact the Help Desk for assistance. 6. For a Fast Track application: the documentation must include the total amount due on the bill (current and past due and all other changes).
Acceptable	Acceptable energy bills include current, delinquent, shut-off notices, or energy statement/print-outs that indicate usage without added fees and provide the required information referenced above.
Unacceptable	<p>The following is unacceptable energy cost verification:</p> <ol style="list-style-type: none"> 1. Closing bills 2. Altered bills 3. Service address on the utility bill does not match the applicant's service address 4. Outdated utility bill

Calculating Energy Cost

Introduction

The total monthly energy cost consists of the entire amount of energy costs incurred for the most current month. Allowable energy costs include usage and all monthly charges.

Example

Below is an example of the charges to be included in calculating energy cost:

Summary of Charges	CARE Discount Applied	Amount
Customer Charge	29 Days x 0.13151=	\$ 3.81
CARE Baseline	14 Therms x 0.61643=	8.63
CARE Over Baseline	15 Therms x 0.76267=	11.44
Gas Charges		23.88
State Regulatory Fee	29 Therms x 0.00076=	0.02
CARE Public Purpose Surcharge.	29 Therms x 0.01881=	0.55
Taxes & Fees on Gas Charges		0.57
Total Gas Charges Including Taxes and Fees		24.45
Current Level Pay Amount		34.00
Total Amount Due		34.00

The total amount of monthly energy cost is **\$24.45**.

$$(23.88 + 0.57 = 24.45)$$

Note: The balance pay amount is not used to calculate energy cost.

Utilities Included In Rent

Introduction Applicants that pay their utility costs as a portion of their rent are eligible to receive LIHEAP assistance. Public Law 97-35, Title XXVI, Section 2602 (8)(B) “the State will treat owners and renters equitably under the program assisted under this title”

Documentation Must contain the following:

1. Date
2. Tenant/Customer’s Name
3. Service Address
4. The amount of rental charges covering energy expenses
5. Landlord’s signature
6. Photocopied and faxed letters of utility cost verification
 - Agency must keep a dated copy with a wet signature on file for each multi-family dwelling. Letter must contain service address, date, and the location of the original signature.
 - This document maybe photocopied for insertion into the client file of other tenants in that building.
 - A newly signed landlord letter must be obtained each program year.

Acceptable documentation Documentation must include a time frame current to six weeks from intake date

- Must indicate the dollar amount of the applicant’s monthly rent that is applied towards energy costs.
- Rental agreement that indicates utilities included in rent
- Rental receipt that indicates utilities included in rent
- Original or faxed letter signed by landlord/manager
- HUD statement showing zero utility allowance
- Billing services statement that indicates submetered

Continued on next page

Utilities Included In Rent, Continued

Unacceptable

- Documents that do not show energy charges
 - Documents that have been altered
 - Outdated information
 - Landlord statements that are unsigned
 - Letter that does not indicate customer name and apartment number if applicable.
-

Energy Burden

Definition	The percentage of household income used to pay household energy expenses. This is determined by dividing the household's monthly energy cost by the household's total gross monthly income.
Utility bills	<p>Applicants are requested to submit all of their energy utility bills for a one-month period (gas and electric, wood and propane, or any combination thereof).</p> <p>In instances where a household is unable to obtain a copy of a secondary energy bill, it is acceptable to have the applicant estimate the cost of their absent energy bill(s). This estimation should be documented and maintained in the client's file. HEAP assistance can only be made to a utility company where a bill is present; therefore, the client must provide the bill from the utility service provider to which the HEAP/Fast Track assistance will be issued.</p>
Utility provider	Eligible households may only select one utility company to receive assistance.
Calculating energy burden	<p>The following is the methodology for calculating energy burden:</p> <ol style="list-style-type: none"> 1. Use all energy utility costs to calculate the total energy costs for a one-month period (gas and electric, wood and propane) when calculating energy burden. Use the entire amount owed for the current one-month period. This can include the usage amount, surcharges and/or taxes. Do not include in the total arrearages from a previous month(s). 2. Total all household income for one month. 3. Divide the household's total gross monthly income by the household's total monthly energy cost. The resulting percentage is the household energy burden.

Estimating Energy Burden

Example

Calculating energy costs:

Step	Action	
1	Calculate total energy costs	
	Commodity	Charges
	Monthly electricity	\$45.15
	Monthly gas	\$56.36
	Total energy costs	\$101.51
2	Calculate total monthly income	
	Source	Amount
	Social Security	\$1,100.00
	Pension	\$250.00
	Total income	\$1,350.00
3	Divide total monthly energy costs by total gross monthly household income. \$101.51 divided by \$1,350 = .075	
4	The calculated energy burden is 7.5%	

Appeals

Introduction

In accordance with State Regulations any person who has applied for benefits and/or services under a grant award from a contractor or a subcontractor whose application has been denied or not acted upon with fifteen working days has the right to first appeal to the local service provider and if not satisfied, subsequently appeal to CSD

Appeals

Purpose When service to a client is refused it is essential to establish if the application is ineligible or denied. Applications that are ineligible are not considered appealable and therefore, do not have to be advised of their appeal rights. (22 CCR § 100805). However, applications that are considered “denied” are appealable and the applicant must be informed of their appeal rights.

State Regulations 22 CCR § 100805 define the following situations as appealable:

- The application was not acted upon within 15 working days
- Unsatisfactory performance
- Application was denied.

Definition of a Denial A denial means that all of the following criteria have been met:

- Services and funds are available.
- The contractor has authority to disburse services or funds.
- The applicant meets or believes he/she meets eligibility criteria and
- The applicant meets the conditions of the priority plan

Notification requirements If an application has been denied, the applicant must be advised in writing of the reason for denial and their appeal rights and procedures.

Continued on next page

Appeals, Continued

Suggested letter **Dear Applicant:**

Your 2008 HEAP application requesting assistance with your energy costs has been received. We regret to inform you that your application is being denied for the following reason (s):

- ☐ Over income guidelines
- ☐ Incomplete/missing information
- ☐ Credit on bill
- ☐ Duplicate application, etc.

If you disagree with this decision and/or you have additional proof that may establish your eligibility, you have the right to appeal. To initiate the appeal process please send a written request explaining why you feel this decision was in error and any additional proof of eligibility within () days* of this letter.

*** The amount of days is at the agency's discretion, but at a minimum, it must provide a reasonable time frame to allow the applicant to respond.**

Ineligible Applications

Definition An application that is rejected for the following reasons is considered ineligible not denied and therefore, not appealable:

- Agency is out of funds
 - Household does not meet the agency priority plan
-

Notification The applicant must still be notified in writing of the reason for the refusal of service but it is not necessary to advise them of their appeal rights.

Suggested Letter **Dear Applicant:**

Your 2008 HEAP application requesting assistance with your energy costs has been received. While your household meets the income eligibility requirements, your household did not meet our agency's priority plan and is not qualified to receive assistance at this time.

The State of California requires Local Service Providers (agencies) to establish a priority plan due to the overwhelming demand and the limited funding resources for assistance. The priority plan provides a method for serving those with the greatest need. However, if your circumstances change, please feel free to reapply.
